

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF INDIANA  
NEW ALBANY DIVISION

IN RE:

EASTERN LIVESTOCK CO., LLC

CASE NO. 10-93904  
CHAPTER 11

DEBTOR

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**RESERVATION OF RIGHTS AND OBJECTION TO SECOND  
INTERIM APPLICATION OF HOOVER HULL LLP FOR COMPENSATION  
AND REIMBURSEMENT OF EXPENSES AS SPECIAL COUNSEL FOR  
JAMES A. KNAUER, CHAPTER 11 TRUSTEE**

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Come Bluegrass Stockyards, LLC, Bluegrass Stockyards of Campbellsville, LLC, Bluegrass Stockyards East, LLC, Bluegrass-Maysville Stockyards, LLC, Bluegrass Stockyards of Richmond, LLC, Bluegrass South Livestock Market, LLC,<sup>1</sup> Alton Darnell, East Tennessee Livestock Center, Inc., Moseley Cattle Auction, LLC, Piedmont Livestock Company, Inc., and Southeast Livestock Exchange, LLC (collectively, the “Creditors”), by counsel, and reserve for the final fee application all objections to the allowance and payment of fees and expenses of Hoover Hull LLP (“HH”). In support of this Reservation of Rights and Objection, the Creditors respectfully state as follows:

**BACKGROUND**

1. On December 27, 2010, after consideration of the Notice of Appointment and Application for Order Approving Appointment of Trustee [ECF No. 98] and the accompanying Trustee’s Verified Statement and Notice of Acceptance [ECF No. 98-1] and Affidavit of

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<sup>1</sup> The Bluegrass creditors have entered in to a written settlement agreement with the Estate, acting by and through the Trustee, which includes, among other things, a full release of the Trustee and his professionals. Because the settlement has not yet been presented or approved, the Bluegrass creditors join in this reservation of rights at this time, pending such approval.

Disinterest [ECF No. 98-2], the Court entered the Order Approving the Appointment of James A. Knauer as Chapter 11 Trustee [ECF No. 102] in the above-captioned bankruptcy case.

2. On January 18, 2011, James A. Knauer, Chapter 11 Trustee for the Estate of Eastern Livestock Co., LLC (the “Trustee”) filed his Application to Employ Hoover Hull LLP as Special Counsel to Chapter 11 Trustee [ECF No. 219] on January 18, 2011 (the “HH Employment Application”). The Court entered an Order granting the HH Employment Application [ECF No. 267] on February 10, 2011.

3. On November 11, 2011, HH filed its First Interim Application of Hoover Hull LLP for Compensation and Reimbursement of Expenses as Special Counsel for James A. Knauer, Chapter 11 Trustee [ECF No. 819] (the “First Interim Application”). This Application was approved on an interim basis by an Order of this Court entered on December 19, 2011 [ECF No. 916].

4. On November 21, 2012, HH filed its Second Interim Application of Hoover Hull LLP for Compensation and Reimbursement of Expenses as Special Counsel for James A. Knauer, Chapter 11 Trustee [ECF No. 1555] (the “Second Interim Application”), which is at issue herein.

### **OBJECTION AND RESERVATION OF RIGHTS**

5. For reasons previously stated regarding the conduct of the Trustee and lead counsel for the Estate, the Creditors reserve objections to the allowance and payment of fees and expenses for HH on both an interim and final basis. To the extent of limitations upon the Trustee as the sole representative of the Estate, some of the services provided by HH may have been unnecessary and not beneficial to the Estate, as futile activities.

6. To the extent that the Court enters an order approving the Second Interim Application, the order will not be a final approval of the fees or expenses. *See Matter of Taxman*

*Clothing Co.*, 49, F.3d 310, 312 (7th Cir. 1995) (“The law is clear . . . that all interim awards of attorney’s fees in bankruptcy cases are tentative.”) (citations omitted); *In re Eckert*, 414 B.R. 404, 409 (Bankr. N.D. Ill. 2009) (“Interim fee awards under 11 U.S.C. § 331 are discretionary and are subject to reexamination and adjustment during the course of the case . . . . The Court may review the case at its conclusion and take into account the results obtained in making a final allowance.”) (citations omitted); *In re Gibson*, 2010 WL 774573, \*10 (Bankr. C.D. Ill. 2010) (interim orders allowing fee applications are subject to further review and modification by court) (citations omitted).

7. Against this background, a lengthy objection to the Second Interim Application is not required at this interim stage. The Creditors reserve any and all rights to object to the final fee application filed by HH in this bankruptcy case.

Respectfully submitted,

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### **CERTIFICATE OF SERVICE**

I hereby certify that on December 12, 2012, a copy of the foregoing pleading was filed electronically. Notice of this filing will be sent to the following parties through the Court’s Electronic Case Filing System. Parties may access this filing through the Court’s system.

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